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273376 SA ✓
Laura Bateman
Carolinas Rates & Regulatory Strategy
410 S. Wilmington Street
Raleigh, NC 27601

919.546.3324
Laura.Bateman@duke-energy.com

November 30th, 2017

Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, SC 29211

POSTED
12-5-17

Dear Mrs. Boyd:

2006-268-E

Enclosed per Docket No. ~~2006-270~~-E is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending September 30th, 2017. Debt coverage ratio of earnings to Fixed Charges was 4.88 for this time period. Please note all costs and insurance settlements directly related to the 2014 Dan River release and clean-up are excluded from the retail returns.

Please feel free to contact me at 919.546.3324 if you have any questions.

Sincerely,

Laura Bateman
Carolinas Rates & Regulatory Strategy
Duke Energy

Enclosures:

pc: Ms. Dawn Hipp, Director Utilities, Safety & Transportation
Office of Regulatory Staff
Mr. Willie Morgan, Deputy Director Utilities Rates
Office of Regulatory Staff
Mr. Dukes Scott, Executive Director
Electric & Gas Regulation
Office of Regulatory Staff

SC PUBLIC SERVICE
COMMISSION

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SC PUBLIC SERVICE
COMMISSION

2017 DEC -4 PM 1:33

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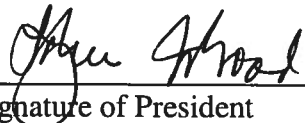
DEC 05 2017

PSC SC
MAIL/DMS

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

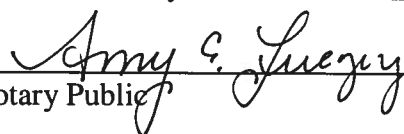

Signature of President

Lynn J. Good
Typed or Printed Name of Person Signing

President, CEO & Chair of BOD
Title

11/29/17
Date Signed

Subscribed and sworn to before me this 29th day of November, 2017.


Notary Public

My Commission Expires: 11/16/22

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DEC 05 2017

PSC SC
MAIL/DMS

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Steven K. Young, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Steven K. Young
Signature of Person Making Verification

Steven K. Young
Typed or Printed Name of Person Signing

Executive Vice President & CFO
Title

11/29/17
Date Signed

Subscribed and sworn to before me this 29th day of November, 2017.

Amy P. Jurey
Notary Public

My Commission Expires: 11/16/22

Duke Energy Carolinas, LLC
Electric Operating Experience - Total Company & SC Retail
 12 Months Ended September 30, 2017
 Dollars in Thousands

Line No.	Description	Total Company		SC Retail	
		Regulatory Per Books	Pro-Forma Adjustments	Regulatory Per Books	Pro-Forma Adjustments
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 5)	(Col. 6)
		\$	\$	\$	\$
1	<u>Operating Revenues</u>	\$ 7,278,856	\$ (334,735)	\$ 1,728,390	\$ (86,920)
2	<u>Operating Expenses</u>				
3	O&M Expenses - Fuel	1,492,616	-	355,316	(1,051)
4	O&M Expenses - Purchased Power and Net Interchange	308,322	-	75,876	-
5	O&M Expenses - Wages, Benefits, Materials, etc.	1,979,156	(200,491)	474,907	(55,219)
6	Depreciation & Amortization Expenses	1,122,909	82,454	244,860	20,741
7	Taxes Other Than Income	271,599	18,485	77,468	5,013
8	Income Taxes	616,203	(105,369)	149,407	(25,162)
9	Investment Tax Credit	(5,290)	-	(1,242)	3
10	Total Operating Expenses	5,785,516	(204,921)	1,376,591	(55,676)
11	Operating Return	1,493,340	(129,813)	351,799	(31,244)
12	Customer Growth	-	7,687	-	7,687
13	Interest on Customer Deposits (Before Taxes)	8,543	-	1,017	(5)
14	Total Income for Return	\$ 1,484,797	\$ (122,126)	\$ 350,782	\$ (23,552)
15	<u>Rate Base</u>				
16	Plant in Service	\$ 37,500,332	\$ 1,407,330	\$ 8,675,550	\$ 304,693
17	Reserve for Depreciation	(15,187,221)	(82,454)	(3,514,655)	(10,126)
18	Net Plant	22,313,112	1,324,875	5,160,895	294,567
19	Construction Work in Progress	160,469	1,560,334	37,774	359,504
20	Other Rate Base	(401,680)	-	(94,663)	-
21	Total Working Capital	1,881,964	(25,061)	472,963	(6,902)
22	Materials & Supplies	1,556,099	49,285	372,542	12,263
23	Accumulated Deferred Income Taxes	(6,837,567)	(86,129)	(1,591,008)	(21,380)
24	Total Rate Base	\$ 18,672,397	\$ 2,823,305	\$ 4,358,503	\$ 638,051
25	Rate of Return	7.95%	6.34%	8.05%	6.55%
26	Return on Equity	10.46%	7.57%	10.64%	7.95%

Duke Energy Carolinas, LLC
Electric Accounting & Pro Forma Adjustments
Total Company
12 Months Ended September 30, 2017
Dollars in Thousands

Adj. #	Description	Revenues	O&M Expenses Fuel	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Income Taxes @ 0.371902	Investment Tax Credit
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ 44,341	\$ -	\$ -	\$ (16,491)	\$ -
2	To Annualize Wage Rate Increase	-	-	8,468	-	292	-	(3,258)	-
3	To Update for Increased Benefits Costs	-	-	(1,508)	-	-	-	561	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	10,578	-	(3,934)	-
5	To Reflect CWIP Closings to Plant	-	-	-	38,113	7,596	-	(16,999)	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	(17,903)	-
7	To eliminate unbilled revenues	18,667	-	-	-	19	-	6,935	-
8	Adjust coal inventory	-	-	-	-	-	-	-	-
9	Adjust the amount of CWIP in rate base	-	-	-	-	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	-	-	-
11	To Exclude Greenwood Operations	-	-	-	-	-	-	-	-
12	To Normalize Nuclear Refueling Outage Costs	-	-	(5,376)	-	-	-	1,999	-
13	To remove SC Load Retention Rider revenues	0	-	-	-	-	-	-	-
14	To remove DSM/EE program revenues and program costs	(353,402)	-	(202,075)	-	-	-	(56,279)	-
TOTAL - ALL PRO FORMAS		\$ (334,735)	\$ -	\$ (200,491)	\$ 82,454	\$ 18,485	\$ -	\$ (105,360)	\$ 0
		0	0	0	0	0	0	0	0

Adj. # Description

1	To Annualize Depreciation on Year-End Plant	\$ -	\$ (44,341)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	To Annualize Wage Rate Increase	-	-	-	-	-	-	-	-
3	To Update for Increased Benefits Costs	-	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	-	-	-
5	To Reflect CWIP Closings to Plant	1,407,330	(38,113)	-	(86,129)	-	-	-	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-	-
7	To eliminate unbilled revenues	-	-	-	-	-	-	-	-
8	Adjust coal inventory	-	-	-	-	-	-	49,285	-
9	Adjust the amount of CWIP in rate base	-	-	1,560,334	-	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	(25,061)	-	-
11	To Exclude Greenwood Operations	-	-	-	-	-	-	-	-
12	To Normalize Nuclear Refueling Outage Costs	-	-	-	-	-	-	-	-
13	To remove SC Load Retention Rider revenues	-	-	-	-	-	-	-	-
14	To remove DSM/EE program revenues and program costs	-	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		\$ 1,407,330	\$ (82,454)	\$ 1,560,334	\$ (86,129)	\$ -	\$ (25,061)	\$ 49,285	\$ -
		0	0	0	0	0	0	0	0

Duke Energy Carolinas, LLC
Electric Accounting & Pro Forma Adjustments
SC Retail

12 Months Ended September 30, 2017
Dollars in Thousands

Adj. #	Description	Revenues	O&M Expenses Fuel	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Income Taxes @ 0.3825	Investment Tax Credit
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ 12,522	\$ -	\$ -	\$ (4,790)	\$ -
2	To Annualize Wage Rate Increase	-	-	2,044	-	71	-	(809)	-
3	To Update for Increased Benefits Costs	-	-	(364)	-	-	-	139	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	3,377	-	(1,292)	-
5	To Reflect CWIP Closings to Plant	-	-	-	-	1,796	-	(4,131)	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	9,003	-	-	(4,009)	-
7	To eliminate unbilled revenues	6,233	-	-	-	19	-	2,377	-
8	Adjust coal inventory	-	-	-	-	-	-	-	-
9	Adjust the amount of CWIP in rate base	-	-	-	-	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	-	-	-
11	To Exclude Greenwood Operations	(898)	(1,051)	(767)	(785)	(250)	(5)	1,170	3
12	To Normalize Nuclear Refueling Outage Costs	-	-	(1,689)	-	-	-	646	-
13	To remove DSM/EE program revenues and program costs	(92,255)	-	(54,444)	-	-	-	(14,463)	-
14	To remove SC Load Retention Rider revenues	-	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		\$ (86,920)	\$ (1,051)	\$ (55,219)	\$ 20,741	\$ 5,013	\$ (5)	\$ (25,162)	\$ 3

Adj. # Description

Adj. #	Description	Plant In Service	Accum. Deprec.	CWIP	ADIT	Deferred Debit/Credit	Working Cash	Materials & Supplies
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ (12,522)	\$ -	\$ -	\$ -	\$ -	\$ -
2	To Annualize Wage Rate Increase	-	-	-	-	-	-	-
3	To Update for Increased Benefits Costs	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	-	-
5	To Reflect CWIP Closings to Plant	332,538	(9,003)	-	(20,351)	-	-	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-
7	To eliminate unbilled revenues	-	-	-	-	-	-	-
8	Adjust coal inventory	-	-	-	-	-	-	12,263
9	Adjust the amount of CWIP in rate base	-	-	359,504	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	(6,902)	-
11	To Exclude Greenwood Operations	(27,845)	11,400	-	(1,029)	-	-	-
12	To Normalize Nuclear Refueling Outage Costs	-	-	-	-	-	-	-
13	To remove DSM/EE program revenues and program costs	-	-	-	-	-	-	-
14	To remove SC Load Retention Rider revenues	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		\$ 304,693	\$ (10,126)	\$ 359,504	\$ (21,380)	\$ -	\$ (6,902)	\$ 12,263

Duke Energy Carolinas, LLC
Electric Accounting & Pro Forma Adjustments
Total Company
12 Months Ended September 30, 2017
Dollars in Thousands

Adj. #	Description	Revenues	O&M Expenses Fuel	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Income Taxes @ 0.371902 37.19%	Investment Tax Credit
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ 44,341	\$ -	\$ -	\$ (16,491)	\$ -
2	To Annualize Wage Rate Increase	-	-	8,468	-	292	-	(3,258)	-
3	To Update for Increased Benefits Costs	-	-	(1,508)	-	-	-	561	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	10,578	-	(3,934)	-
5	To Reflect CWIP Closings to Plant	-	-	-	38,113	7,596	-	(16,998)	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	(17,903)	-
7	To eliminate unbilled revenues	18,667	-	-	-	19	-	6,935	-
8	Adjust coal inventory	-	-	-	-	-	-	-	-
9	Adjust the amount of CWIP in rate base	-	-	-	-	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	-	-	-
11	To Exclude Greenwood Operations	-	-	-	-	-	-	-	-
12	To Normalize Nuclear Refueling Outage Costs	-	-	(5,376)	-	-	-	1,999	-
13	To remove DSMEE program revenues and program costs	(353,402)	-	(202,075)	-	-	-	(56,279)	-
TOTAL - ALL PRO FORMAS		\$ (334,735)	\$ -	\$ (200,491)	\$ 82,454	\$ 18,485	\$ -	\$ (105,369)	\$ 0

Adj. # Description

Adj. #	Description	Plant In Service	Accum. Deprec.	CWIP	ADIT	Other Rate Base	Working Cash	Materials & Supplies	Investment Tax Credit
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ (44,341)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	To Annualize Wage Rate Increase	-	-	-	-	-	-	-	-
3	To Update for Increased Benefits Costs	-	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	-	-	-
5	To Reflect CWIP Closings to Plant	1,407,330	(38,113)	-	(86,129)	-	-	-	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-	-
7	To eliminate unbilled revenues	-	-	-	-	-	-	-	-
8	Adjust coal inventory	-	-	-	-	-	-	-	-
9	Adjust the amount of CWIP in rate base	-	-	1,560,334	-	-	-	49,285	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	(25,061)	-	-
11	To Exclude Greenwood Operations	-	-	-	-	-	-	-	-
12	To Normalize Nuclear Refueling Outage Costs	-	-	-	-	-	-	-	-
13	To remove DSMEE program revenues and program costs	-	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		\$ 1,407,330	\$ (82,454)	\$ 1,560,334	\$ (86,129)	\$ -	\$ (25,061)	\$ 49,285	\$ 0

Duke Energy Carolinas, LLC
Electric Accounting & Pro Forma Adjustments
SC Retail
12 Months Ended September 30, 2017
Dollars in Thousands

Adj. #	Description	Revenues	O&M Expenses Fuel	O&M Expenses Other	Deprec. & Amort. Expense	Taxes Other Than Income	Interest on Customer Deposits	Income Taxes @ 0.3825 -38.25%	Investment Tax Credit
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ 12,522	\$ -	\$ -	\$ (4,790)	\$ -
2	To Annualize Wage Rate Increase	-	-	2,044	-	71	-	(809)	-
3	To Update for Increased Benefits Costs	-	-	(364)	-	-	-	139	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	3,377	-	(1,292)	-
5	To Reflect CWIP Closings to Plant	-	-	-	9,003	1,796	-	(4,131)	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	(4,009)	-
7	To eliminate unbilled revenues	6,233	-	-	-	19	-	2,377	-
8	Adjust coal inventory	-	-	-	-	-	-	-	-
9	Adjust the amount of CWIP in rate base	-	-	-	-	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	-	-	-
11	To Exclude Greenwood Operations	(898)	(1,051)	(767)	(785)	(250)	(5)	1,170	3
12	To Normalize Nuclear Refueling Outage Costs	-	-	(1,689)	-	-	-	646	-
13	To remove DSM/EE program revenues and program costs	(92,255)	-	(54,444)	-	-	-	(14,463)	-
TOTAL - ALL PRO FORMAS		\$ (86,920)	\$ (1,051)	\$ (55,219)	\$ 20,741	\$ 5,013	\$ (5)	\$ (25,162)	\$ 3

Adj. #	Description	Plant In Service	Accum. Deprec.	CWIP	ADIT	Deferred Debit/Credit	Working Cash	Materials & Supplies
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ (12,522)	\$ -	\$ -	\$ -	\$ -	\$ -
2	To Annualize Wage Rate Increase	-	-	-	-	-	-	-
3	To Update for Increased Benefits Costs	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	-	-
5	To Reflect CWIP Closings to Plant	332,538	(9,003)	-	(20,351)	-	-	-
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-
7	To eliminate unbilled revenues	-	-	-	-	-	-	-
8	Adjust coal inventory	-	-	-	-	-	-	12,263
9	Adjust the amount of CWIP in rate base	-	-	359,504	-	-	-	-
10	Adjust 1/8 O&M for accounting and pro forma adjustments	-	-	-	-	-	(6,902)	-
11	To Exclude Greenwood Operations	(27,845)	11,400	-	(1,029)	-	-	-
12	To Normalize Nuclear Refueling Outage Costs	-	-	-	-	-	-	-
13	To remove DSM/EE program revenues and program costs	-	-	-	-	-	-	-
TOTAL - ALL PRO FORMAS		\$ 304,693	\$ (10,126)	\$ 359,504	\$ (21,380)	\$ -	\$ (6,902)	\$ 12,263

Duke Energy Carolinas, LLC
Statement of Fixed Assets - Electric
 12 Months Ended September 30, 2017
 Dollars in Thousands

Line No.	Description	Total Company				SC Retail			
		Per Books (Col. 2)	Adjustments (Col. 3)	As Adjusted (Col. 4)	Per Books (Col. 5)	Adjustments (Col. 6)	As Adjusted (Col. 7)		
		\$	\$	\$	\$	\$	\$		
<u>Gross Plant in Service</u>									
1	Intangible Plant	\$ 926,585	\$ 24,408	\$ 950,993	\$ 214,461	\$ 5,552	\$ 220,013		
2	Production	20,497,486	941,665	21,439,150	4,744,197	221,118	4,965,315		
3	Transmission	3,758,651	92,275	3,850,926	867,294	17,016	884,310		
4	Distribution	11,224,233	335,668	11,559,901	2,597,878	85,688	2,683,567		
5	General	1,079,716	13,314	1,093,029	249,903	3,163	253,066		
6	Common								
7	Subtotal	37,486,670	1,407,330	38,894,000	8,673,733	332,538	9,006,271		
8	Plant Held for Future Use	13,662	-	13,662	1,817	-	1,817		
	Greenwood					(27,845)	(27,845)		
9	Total Gross Plant in Service	\$ 37,500,332	\$ 1,407,330	\$ 38,907,662	\$ 8,675,550	\$ 304,693	\$ 8,980,243		
<u>Construction Work in Progress</u>									
10	Production	\$ 132,019	\$ 1,059,739	\$ 1,191,759	\$ 31,418	\$ 248,844	\$ 280,262		
11	Transmission	7,909	198,590	206,500	1,433	36,621	38,054		
12	Distribution	3,815	170,256	174,071	962	43,463	44,424		
13	General	7,855	60,104	67,959	1,860	14,278	16,138		
14	Intangible	8,871	71,645	80,515	2,101	16,298	18,399		
15	Total Construction Work in Progress	\$ 160,469	\$ 1,560,334	\$ 1,720,804	\$ 37,774	\$ 359,504	\$ 397,278		

Duke Energy Carolinas, LLC
Reserve for Depreciation - Electric
12 Months Ended September 30, 2017
Dollars in Thousands

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	Intangible Plant	(527,620)	(698)	(528,318)	(122,119)	(159)	(122,278)
2	Production	(8,205,295)	(33,114)	(8,238,410)	(1,899,137)	(7,776)	(1,906,913)
3	Transmission	(1,395,868)	(4,845)	(1,400,714)	(322,610)	(894)	(323,504)
4	Distribution	(4,671,280)	(17,108)	(4,688,388)	(1,081,180)	(6,358)	(1,087,538)
5	General	(387,157)	(26,688)	(413,845)	(89,608)	(6,340)	(95,948)
6	Common						
7	Greenwood					11,400	11,400
8	Total Reserve for Depreciation	<u>(15,187,221)</u>	<u>(82,454)</u>	<u>(15,269,675)</u>	<u>(3,514,655)</u>	<u>(10,126)</u>	<u>(3,524,781)</u>

Duke Energy Carolinas, LLC
Other Rate Base - Electric
12 Months Ended September 30, 2017
Dollars in Thousands

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	Operating Reserves	\$ (401,680)	\$ -	\$ (401,680)	\$ (94,663)	\$ -	\$ (94,663)
2							
3							
4							
5							
6							
7							
8	Total Other Rate Base	\$ (401,680)	\$ -	\$ (401,680)	\$ (94,663)	\$ -	\$ (94,663)

Duke Energy Carolinas, LLC
Total Working Capital - Electric
 12 Months Ended September 30, 2017
 Dollars in Thousands

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
1	Twelve Month O&M Expenses	3,146,096	(200,491)	2,945,605	749,190	(55,219)	693,970
2	Working Cash (1/8 of O&M Expenses on Line 1)	393,262	(25,061)	368,201	93,649	(6,902)	86,746
3	Average Tax Accruals	(181,650)	-	(181,650)	(42,043)	-	(42,043)
4	Subtotal: Investor Funds for Operations	211,612	(25,061)	186,550	51,605	(6,902)	44,703
5	Unamortized Debt	111,390	-	111,390	25,146	-	25,146
6	Required Bank Balance	300	-	300	69	-	69
7	Prepayments	24,111	-	24,111	5,580	-	5,580
8	Customer Deposits	(133,143)	-	(133,143)	(29,936)	-	(29,936)
9	Other	1,667,695	-	1,667,695	420,498	-	420,498
	Other Detail						
	Pension Funding	426,343		426,343	101,117		101,117
	SC DEP Deferred Depreciation and Reg Liability-book depreciation	(2,065)		(2,065)	(3,097)		(3,097)
	COR Reversal	102,794		102,794	44,798		44,798
	WC - Other - Injuries and Damages	538,191		538,191	127,645		127,645
	Reg Asset - FAS 109/Tax related	486,438		486,438	203,352		203,352
	SC Storm Reserve	(18,921)		(18,921)	(18,921)		(18,921)
	Other Misc	134,916		134,916	(34,396)		(34,396)
10	Total Working Capital	1,881,964	(25,061)	1,856,903	472,963	(6,902)	466,060

Duke Energy Carolinas, LLC
Materials & Supplies - Electric
Dollars in Thousands

Line No.	Description	Total Company			SC Retail		
		Per Books	Adjustments	As Adjusted	Per Books	Adjustments	As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)
		\$	\$	\$	\$	\$	\$
	Fuel Stock						
1	Fossil	235,694	49,285	284,979	58,645	12,263	70,907
2	Nuclear	521,755		521,755	129,821		129,821
3	Total Fuel Stock	757,449	49,285	806,734	188,466	12,263	200,728
4	Emission Allowances	34,756	-	34,756	8,011	-	8,011
5	Other Electric Materials and Supplies	763,895	-	763,895	176,066	-	176,066
6	Total Materials & Supplies	\$ 1,556,099	\$ 49,285	\$ 1,605,385	\$ 372,542	\$ 12,263	\$ 384,805

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Coal Inventory Target Level (in tons)	2,525						
Price per Ton - Coal	\$97.50						
Total Company Pro Forma Inventory		\$ 246,203					\$ 61,259
Per Book Coal Inventory		\$196,918.07					\$48,996.42
Coal Adjustment		\$ 49,285					\$ 12,263

Duke Energy Carolinas, LLC
Cost of Capital - Electric Operations
12 Months Ended September 30, 2017
Dollars in Thousands

Line No.	Description	Total Company											
		Per Books						As Adjusted					
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Cost/ Return (Col. 4)	Weighted Cost/ Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Retail Rate Base (Col. 9)	Embedded Cost/ Return (Col. 10)	Weighted Cost/ Return (Col. 11)	Operating Income (Col. 12)
1	Long Term Debt	\$ 8,865,904	44.28%	\$ 8,268,165	4.79%	2.12%	\$ 386,045	\$ 8,865,904	44.28%	\$ 9,518,329	4.79%	2.12%	\$ 455,928
2	Preferred Stock												
3	Common Equity	11,156,395	55.72%	10,404,232	10.46%	5.83%	1,088,752	11,156,395	55.72%	11,977,373	7.57%	4.22%	906,743
4	Total	\$ 20,022,298	100.00%	\$ 18,672,397			\$ 1,484,797	\$ 20,022,298	100.00%	\$ 21,495,702			\$ 1,362,671

South Carolina													
Line No.	Description	Per Books					As Adjusted						
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Cost/ Return (Col. 4)	Weighted Cost/ Return (Col. 5)	Operating Income (Col. 6)	Amount (Col. 7)	Ratio (Col. 8)	Retail Rate Base (Col. 9)	Embedded Cost/ Return (Col. 10)	Weighted Cost/ Return (Col. 11)	Operating Income (Col. 12)
5	Long Term Debt	\$ 8,865,904	44.28%	\$ 1,929,952	4.79%	2.12%	\$ 92,445	\$ 8,865,904	44.28%	\$ 2,212,482	4.75%	2.12%	\$ 105,978
6	Preferred Stock												
7	Common Equity	11,156,395	55.72%	2,428,551	10.64%	5.93%	258,337	11,156,395	55.72%	2,784,072	7.95%	4.43%	221,252
8	Total	\$ 20,022,299	100.00%	\$ 4,358,503			\$ 350,782	\$ 20,022,299	100.00%	\$ 4,996,564			\$ 327,230

Notes: (a) Long term debt includes Mortgage and Pollution Control Bonds, Senior Debt, Capital Leases and Unamortized Debt expense, discounts and premiums. Current long term debt maturities are excluded.

(b) Includes net of tax Piedmont merger costs to achieve of approximately \$277.5 million.